

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the  
Commission's Own Motion to  
Determine the Extent to Which the  
Public Utility Telephone Service  
Known as Voice over Internet Protocol  
Should be Exempted from Regulatory  
Requirements.

Investigation 04-02-007

**COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES  
ON THE DRAFT DECISION CLOSING PROCEEDING**

Pursuant to Rule 77.6(c) of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) hereby submits these Comments on the Draft Decision (DD) Closing Proceeding. DRA reserves the right to address in Reply Comments all issues raised by other parties in their Opening Comments. Silence on any particular issue should not be construed as assent.

**I. INTRODUCTION**

The DD proposes to close the VoIP investigation before this Commission "because we find that we need not establish a regulatory framework for Voice over Internet Protocol telephony to resolve any of the issues raised in this investigation at this time."<sup>1</sup> While DRA does not oppose closing this proceeding, the Commission should exercise its authority over consumer protection, and its responsibility to ensure it, by promptly setting forth a clear set of parameters for informing consumers of their rights.

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<sup>1</sup> Draft Decision of ALJ Grau Closing the Order Instituting Investigation on the Commission's Own Motion to Determine the Extent to Which the Public Utility Telephone Service Known as Voice over Internet Protocol Should be Exempted from Regulatory Requirements (DD), May 4, 2006, at 1.

To this end, DRA supports the Comments of The Utility Reform Network (TURN) on the DD being filed concurrently,<sup>2</sup> and urges the Commission to promptly begin a consumer education program about VoIP services, as well as develop processes for inviting consumer input regarding VoIP services.

## **II. DISCUSSION**

### **A. The Commission Should Initiate A Process To Gather VoIP-Related Information To Understand The Consumer Protection Needs Of Californians**

As the VoIP market grows, the Commission, the Federal Communications Commission (FCC), and state and federal legislators must understand the nature of consumers' problems in order to best address them in a way that balances consumer needs with the robust development of the VoIP market. While the FCC formulates the specific roles for states that it envisions with regard to VoIP services, this Commission should proactively be gathering information about VoIP, the VoIP market, and the experiences and needs of consumers. Now is the time for the Commission to begin monitoring VoIP as a technology and a market that, while in its relative infancy, is commonly acknowledged to have the potential to be an important force in telecommunications.

The information gathered by the Commission can form the basis for informed action by this Commission, and can also provide valuable information for the FCC and legislatures as they make policy decisions. The FCC relies on states generally to provide information and detailed data. Furthermore, the Commission should consider whether there may be issues that are more specific to California. These efforts could be undertaken through various procedural mechanisms such as opening a new proceeding, holding workshops, etc. Regardless of the process used, the Commission must not lose sight of the potential value and importance of VoIP, both to VoIP customers themselves, and to the development of competitive options for California consumers.

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<sup>2</sup> DRA has reviewed a draft of TURN's Comments.

**B. The Commission Should Provide VoIP-Related Information To Consumers And Invite Consumer Comments**

The Commission has recognized in D.06-03-013 (R.00-12-004) that a key element in consumer protection is consumer education and accordingly adopted a Consumer Protection Initiative (CPI). While currently focused only on wireline and wireless telecommunications services, the CPI could easily incorporate information about VoIP services.

As part of the CPI, the Commission's Office of the Public Advisor is planning to spearhead a new consumer information and outreach website.<sup>3</sup> Such a website could also address VoIP services by, for example, including a webpage dedicated to VoIP services. Such a VoIP webpage should be easily navigable and could offer a list of Frequently Asked Questions (FAQs) related to VoIP service, technology, and consumer rights, as well as information about slamming, cramming, and other potential forms of fraudulent practices. Emphasis should be given to any consumer-safety related concerns about VoIP services, such as potential problems with emergency services and power outages and disparities between voice services provided via VoIP versus wireline voice services. Additionally, DRA understands that the Commission plans to print brochures on various services and relevant consumer information, and that the website will include a webpage entitled "Ten Tips About Wireless." Similar brochures and website features specifically tailored to VoIP service should be developed and disseminated. Audio clips on this VoIP webpage could be implemented to assist the vision-impaired.

While a VoIP webpage could provide contact information to get more information about filing complaints in appropriate forums, both the webpage and the Consumer Affairs Branch (CAB) could also be utilized to develop data about VoIP complaints. Information gathering about VoIP services should be very specific because problems could vary across a variety of issues – customer service, reliability, billing, customer

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<sup>3</sup> According to the Public Advisor's Office, the new website ([www.calphoneinfo.com](http://www.calphoneinfo.com)) is scheduled to launch on June 29, 2006.

premises technology, and no doubt other issues not yet envisioned by regulators.

In sum, a webpage that includes these important consumer information features and coordination with the Public Advisor and the Consumer Affairs Bureau could go a long way toward reaching out to consumers to provide them with the information they need to make informed choices about services and service providers. In addition, feedback from consumers could provide valuable information to this Commission and other policy-setting bodies to balance consumer protection with development of the VoIP market.

### **III. CONCLUSION**

The Commission should not wait for mandates by the FCC or public opinion to begin addressing VoIP-related consumer protection issues. Instead, the Commission should promptly begin informing and protecting VoIP consumers by both disseminating and gathering the information necessary to make informed policy decisions. In particular, the Commission should work with the Consumer Affairs Bureau and consumer outreach already initiated by the CPI proceeding, and should report consumer feedback and service performance metrics to the FCC and other policy-makers.

Respectfully submitted,

//s// NATALIE L. BILLINGSLEY  
Natalie L. Billingsley  
Program and Project Supervisor

Division of Ratepayer Advocates  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Phone: (415) 703-1368  
Email: [nxb@cpuc.ca.gov](mailto:nxb@cpuc.ca.gov)

Dated: May 24, 2006

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing document **“COMMENTS OF THE DIVISION OF RATEPAYER ADVOCATES ON THE DRAFT DECISION CLOSING PROCEEDING”** in R.04-02-007.

A copy was served as follows:

☒ **BY E-MAIL:** I sent a true copy via e-mail to all known parties of record who have provided e-mail addresses.

☐ **BY MAIL:** I sent a true copy via first-class mail to all known parties of record.

Executed in San Francisco, California, on the **24<sup>th</sup>** day of **May 2006**.

/s/ PAUL S. PHILLIPS  
Paul S. Phillips